

The factual information set forth on the Tracking Charts was submitted to the FLA by each Independent External Monitor and Participating Company and reviewed by FLA staff. It is being made available to the public pursuant to the FLA Charter in order to strengthen the monitoring process. The FLA Charter provides for regular public disclosure of the factual results of independent monitoring and the resulting specific actions taken by Participating Companies.

What is a Tracking Chart?

Compliance is a process, not an event. A Tracking Chart outlines the process involved in FLA independent external monitoring and remediation. It is used by the accredited independent external monitor, the participating company and the FLA staff to do the following:

- **Record Findings:** The independent external monitor uses the Tracking Chart to report noncompliance with FLA Code standards. The monitor should also cite the specific Code benchmark or national/local law that was used to measure compliance.
- **Report on Remediation:** The FLA participating company uses the Tracking Chart to report on the remediation program that was implemented in order to resolve the noncompliance and prevent any future violations.
- **Evaluate Progress:** The FLA uses the Tracking Chart for purposes of collecting and analyzing information on the compliance situation of a particular factory and for publication on our website. This information is updated on an ongoing basis.

What a Tracking Chart is NOT -

- An exhaustive assessment of factory conditions

Working conditions - in any type of workplace - are dynamic. Each Tracking Chart represents a survey of the factory's conditions on a specific day. Over time, a fuller picture emerges as we compile information from various sources to track the compliance progress of a factory.

- A pass or fail evaluation

The Tracking Charts do not certify whether or not factories are in compliance with the FLA Code. Monitoring is a measurement tool. The discovery of noncompliance issues is therefore not an indication that the participating company should withdraw from a factory. Instead, the results of monitoring visits are used to prioritize capacity building activities that will lead to sustainable improvements in the factory's working conditions.

- A one-time event

Each monitoring visit is followed by a remediation program, further monitoring and remediation in an ongoing process. The Tracking Charts are updated accordingly.

Note on Language

Please be advised that because FLA independent external monitors are locally-based and English is generally not their native language, the language presented may at times appear unclear to a reader who is a native English speaker. In order to preserve the integrity of the transparency process and the information we receive, our policy is to publish the original text from the monitor and participating company. However, the reader will note that we have taken the precaution to remove any identifying information about the factory that was monitored or the workers interviewed.

For example, in cases where monitors and/or participating companies have cited the actual number of workers in reference to a noncompliance issue, in order to protect the workers' identities, we have replaced the numbers with generic wording in brackets (i.e. "[some]", "[worker interviews revealed that]",etc.).

We do not disclose the name of the factory that was monitored in order to ensure that the FLA's efforts to encourage and reward transparency do not have detrimental consequences for the factory and the workers.

Instructions for Printing

The information contained in the Tracking Charts is organized by columns and rows in a table format. Due to the number and width of the columns, the charts have been formatted for legal size (8.5 x 14in.) paper. To print the charts, please make sure to select "legal" size paper from Print properties.

FLA IEM Profile	
Country	China
Factory name	020015128B
IEM	SGS
Date of audit	22-23 Sept 2003
Days in the facility	2 days
PC(s)	Eddie Bauer
Number of workers	360
Product(s)	Garment
Production processes	Cutting-Sewing-Trimming-Pressing-Packing
Other brands in factory	Nike, Inc.

	Findings					Remediation				Updates		
FLA Code/ Compliance issue	Legal Reference	FLA Benchmark	Monitor's Findings	Documentation	Best Practice	PC remediation plan	Target Completion Date	PC follow up	Documentation	Factory Response	PC follow up	Documentation
1. Code Awareness												
2.Forced Labor												
Freedom in Employment	Employee can resign at any moment during the probation period, according to the clause 32 of China Labor Law.	All workers will have the right to enter into and to terminate their employment freely.	Based on the factory rules and interviews with workers, new workers would not be paid if they resign within seven days during the probation period, it violated the clause 32 of China Labor Law.			Revise pay policy for new workers to comply with Chinese labor law	1/31/04	Re-audit in Jan 2004		The factory had revised the pay policy - cancelled the rule that new workers would not be paid if they resign within seven days. [COMPLETED]	Reviewed new factory rule. New worker would be paid if they resign within seven days. The factory has conducted training to instruct employees about the change of policy.	Photocopy of the new factory rule.
3. Child Labor												
Legal compliance for juvenile workers	As the clause 65 of China Labor Law and clause 9 of Provisions on Young Worker Protection, the young workers should perform physical examination regularly and register in local labor bureau.	Employers will comply with applicable laws that apply to young workers, i.e., those between the minimum working age and the age of 18, including regulations relating to hiring, working conditions, types of work, hours of work, proof of age documentation, and overtime	One young worker was identified, but the factory did not arrange the young worker perform physical examination and did not register in local labor bureau, it violated the clause 65 of China Labor Law and clause 9 of Provisions on Young Worker Protection.			Observe legal requirements for young workers between age 16 and 18	1/31/04	Re-audit in Jan 2004		The factory had double-checked the ages of all workers and sent all young workers to do the physical exam and registers in local labor bureau. [COMPLETED]	Factory found six young workers below the age of 18 years old. All workers have received a health evaluation as required by law. The factory has arranged to monitor these employees as required by law for hours of work and shift scheduling.	Photocopy of the record of medical exam and employee files.
4. Harassment or Abuse												
Others	As the clause 96 of China Labor Law, prohibit body search of workers by the factory security guards.		According to interview with workers and verified by the management, the factory security guards randomly do the body search of workers before the workers leave the factory after work. It violated the clause 96 of China Labor Law.			Cease body search practice to conform with Chinese labor law	1/31/04	Re-audit in Jan 2004		The factory had revised the factory policy to cease body search practice, and notify the workers so. [COMPLETED]	Reviewed new factory rule, factory conducted a seminar for security guards and factory posted the notice on the workplace. Factory does not allow body search by security guards.	Photocopy of the new factory rule and the notice.
5. Nondiscrimination												
6. Health and Safety												
Fire Safety Health and Safety legal compliance	As clause 61 of China Construction Law, all buildings should obtain the Building Structure Safety Certificate before in use.	Employer will comply with applicable health and safely laws and regulations. In any case where laws and code of conduct are contradictory, the higher standards will apply. The factory will possess all legally required permits	The factory could not provide the factory and dormitory building Structrue Safety Certificate, it violated the clause 61 of China Construction Law.			Obtain relevant certificate	1/31/04	Re-audit in Jan 2004		The factory had obtained relevant certificate. [COMPLETED]	Reviewed the certificate.	Photocopy of the certificate.
Ventilation/Electrical/facility maintenance	As clause 20 of Safety Supervision Provisions on Lifting Equipment, all elevators should obtain valid Safety Inspecton Permit regular.	All ventilation, plumbing, electrical, and lighting services shall be provided and maintained to conform to applicable laws and prevent hazardous conditions to employees in the facility	The factory could not provide valid Elevator Safety Inspection Permit during this audit, it violated the clause 20 of Safety Supervision Provisions on Lifting Equipment.			Obtain relevant certificate	1/31/04	Re-audit in Jan 2004		The factory had obtained relevant certificate. [COMPLETED]	Reviewed the certificate.	Photocopy of the certificate.

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7. Freedom of Association and Collective Bargaining												
Right to Freely Associate		Workers will have the right to establish and, subject only to the rules of the organization concerned, to join organizations of their own choosing without previous authorization. The right to freedom of association begins at the time that a worker seeks employment, and continues through the course of employment	There was not a trade union or workers representative in the factory.			Establish parallel means I.e. workers rep to allow freedom of association and collective bargaining	1/31/04	Re-audit in Jan 2004		The factory will issue the memo to let all workers know that they can freely set up a trade union and workers representative in the factory by 31/01/2004.	Factory post the notice on the workplace.	Photocopy of the notice.
8. Wages and Benefits												
Minimum Wage	As the clause 48 of China Labor Law, all workers wage should not lower than the legal minimum wage standard.	Employers will pay workers the legal minimum wage or the prevailing industry wage, whichever is higher	Based on the payrolls from Jan to July of 2003, about 30% of workers wage were RMB 2.1-2.68 per hour, lower than the legal minimum wage standard: RMB 2.69 per hour, it violated the clause 48 of China Labor Law.			Pay minimum wage as per Chinese labor law	1/31/04	Re-audit in Jan 2004		The factory confirmed that it will begin calculating the payroll with compliance of minimum payment (RMB 450 a month) effective in Feb 2004. The exact effective date will be informed after management confirmation.	Factory posted notice regarding min wage and OT paid on the workplace	Photocopy of the notice.
Legal benefits	As the clause 72 of China Labor Law, all employees should attend the social insurance.	Employers will provide all legally mandated benefits to all eligible workers	The factory only provided injury insurance for 40% of workers, and retirement insurance and unemployment insurance for 15% of workers, did not provide for all workers, it violated the clause 72 of China Labor Law.			Provide legal benefits as per Chinese labor law	1/31/04	Re-audit in Jan 2004		The factory confirmed that it would provide the social insurance to all workers as per local government social insurance dept. by 31/01/2004.	Reviewed the permit from local government confirming that payment was made.	Photocopy of the permit.
Legal Compliance for holiday/leave	As the clause 2 & 7 of Temporary Provisions on Annual Leave in Guangdong Province, and clause 45 & 62 of China Labor Law, employer should provide paid annual leave and paid maternity leave for the workers.	Workers will be paid for holidays and leave as required by law	No evidence indicated that the factory provided paid annual leave for the workers, it violated the clause 45 of China Labor Law and clause 2 of Temporary Provisions on Annual Leave in Guangdong Province; No evidence indicated that the factory provided paid maternity leave for the female workers, it violated the clause 7 of Temporary Provisions on Annual Leave in Guangdong Province and clause 62 of China Labor Law.			Provide legal benefits as per Chinese labor law	1/31/04	Re-audit in Jan 2004		The factory confirmed that it would revise the factory policy to provide the paid annual leave and maternity leave for all workers by 31/01/2004	Confirmed that factory posted the notice in the workplace. Will continue monitoring to confirm that paid leave is indeed granted.	Photocopy of the notice.

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9. Hours of Work												
Forced overtime	Employee overtime working should be voluntary, based on the clause 41 of China Labor Law and clause 13 of Provisions on Employee Labor Rights Protection in Guangdong Province.	Under extraordinary business circumstances, employers will make extensive efforts to secure voluntary overtime work prior to mandating involuntary overtime	According to interview with workers and verified by the management, if the workers didn't work overtime without permission, twice overtime payment for the absent hours would be deducted as a penalty, it violated the clause 41 of China Labor Law and clause 13 of Provisions on Employee Labor Rights Protection in Guangdong Province.			Ensure that overtime work is performed on a voluntary basis	1/31/04	Re-audit in Jan 2004		The factory promised to ensure that overtime working will be performed on a voluntary basis by 31/01/2004.	Confirmed that factory posted notice at the workplace. Will continue to monitor to confirm pay is not deducted.	Photocopy of the notice.
Overtime Limitations	As clause 41 of China Labor Law, overtime working hours should not exceed 3 hours a day and 36 hours a month, and as clause 38 of China Labor Law, workers should be entitled to at least one day off in every seven day period.	Except in extraordinary business circumstances, employees will (i) not be required to work more than the lesser of (a) 48 hours per week and 12 hours overtime or (b) the limits on regular and overtime hours allowed by the law of the country of manufacture or, where the laws of such country will not limit the hours of work, the regular work week in such country plus 12 hours overtime; and (ii) be entitled to at least one day off in every seven day period. An extraordinary business circumstance is a temporary period of extra work that could not have been anticipated or alleviated by other reasonable efforts	Based on the timecards from Jan to Aug of 2003, most workers overtime worked 3-4 hours a day and 120-160 hours a month, it violated the clause 41 of China Labor Law; Also according to the timecards, most workers were not allocated at least one day off per every seven days, sometimes they have to consecutive worked one month without one day off, it violated the clause 38 of China Labor Law.			Reduce hours of work to comply with Chinese labor law and FLA code. Guarantee a seventh day of rest.	1/31/04	Re-audit in Jan 2004		The factory agreed to reduce the hours of work and have a seventh day of rest to comply with Chinese labor law and FLA code by 31/01/2004.	Factory applied for an overtime waiver. They are no longer working over 3 hours overtime per day. Employees have been instructed about the new overtime policy. Will continue to monitor for amount of hours worked.	Photocopy of the waiver and notice.
10. Overtime Compensation												
OT Compensation for Piece	As the clause 44 of China Labor Law, OT compensation should be paid at rate of 150%, 200% and 300% for working days, rest days and statutory holidays.	Where workers are paid on a piece rate, the payment for overtime work performed shall result in no less payment than the premium pay required by law	Based on the payrolls from Jan to July of 2003, and interview with the workers, most workers are paid by piece rate, and the OT compensation only added RMB 0.5 per hour, were not paid at rate of 150%, 200% and 300% on working days, rest days and statutory holidays, it violated the clause 44 of China Labor Law.			Pay OT compensation in accordance with Chinese labor law	1/31/04	Re-audit in Jan 2004		The factory promised to start calculating the OT compensation in accordance with Chinese labor law effective in Feb 2004 (after Chinese New Year holiday). The exact effective date will be informed after mangement confirmation.	Confirmed that factory posted the notice in the workplace and instructed employees about overtime rate calculation. Once payment is made, will follow up to confirm that workers are being paid correctly.	Photocopy of the notice and training records were reviewed.
Miscellaneous												